

Prior Approval for Equipment Purchases

Equipment purchases require the written prior approval of the EPA Award Official.

Equipment is a single item with an acquisition cost of \$5000 or more with a useful life of more than one year. Prior means BEFORE the equipment is purchased and written means the signed assistance agreement or assistance amendment approving the equipment. Equipment purchases made before approval is received will be disallowed and the funds will be subject to recovery by EPA.

Usually equipment items are included in the original assistance application budget and approved upon initial award of the assistance agreement. Due to unanticipated circumstances, a recipient may need to request an equipment purchase after the assistance agreement has been awarded. The approval is accomplished through a formal grant amendment which includes a new condition for disposition of the equipment. Grantees should not proceed with equipment purchases until this grant amendment is received or the costs could be disallowed and subject to recovery by EPA.

If additional funding is not being added to the agreement for the equipment purchase and the existing budget is therefore being revised, the prior approval can be requested by letter and should include a revised SF 424A showing the budget revisions. The letter should include the following:

- List of each equipment item;
- Estimated cost of each item;
- Written lease versus purchase analysis;
- Justification of the need for each item (why is it needed to accomplish workplan tasks?);
- Requested disposition of the equipment and justification – disposition instructions will be included as a term and condition on the grant amendment;
- Explanation of budget and workplan revisions required in order to be able to purchase the equipment.

The above information may be submitted to EPA electronically. The request should be submitted to the EPA Project Officer with a “cc” to the Grants Specialist.

Project Officers are not authorized to give verbal or written approval for equipment to recipients. The Grants Unit will review and process the request, and the Award Official will either sign a grant amendment approving the equipment purchase or notify the recipient of a disapproval.

Equipment purchased near the end of a grant period is often a “red flag” to auditors and inspectors. Requests will be handled on a case-by-case basis, but generally for project grants, untimely requests will not be approved. In any case, equipment should not be purchased simply to expend the grant funds.

Other information you should know about equipment purchases:

- The cost of equipment purchases may not be split between two or more EPA programs;
- Equipment purchased with EPA funds is not for personal use, or for any use other than approved workplan tasks;
- Equipment purchased with EPA funds is subject to certain maintenance requirements; among them are:
 - Property records;
 - Regular inventory;
 - A control system to safeguard against loss, damage or theft;
 - Procedures to ensure the equipment is properly maintained.

Any grant recipient purchasing equipment with EPA funds should be familiar with all regulations related to equipment found at 40 CFR Part 31.32.